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In January-May 2018, Government's Consolidated Fund registered a deficit of €78.0 million.

Government Finance Data: January-May 2018

Compared to the same period last year, recurrent revenue registered an increase of €9.8 million whereas total expenditure went up by €85.2 million. This resulted in a negative change in the Government's Consolidated Fund by €75.4 million.

In January-May 2018, recurrent revenue was recorded at €1,577.9 million, up from €1,568.1 million last year. The comparative increase of 0.6 per cent was primarily the result of higher Income Tax and Social Security which both increased by €37.7 million and €28.2 million respectively. Moreover, increases were also recorded for Licences, Taxes and Fines (€17.8 million), Value Added Tax (€16.4 million) and Customs and Excise Duties (€4.1 million). Conversely, decreases were mainly recorded in Grants (€66.9 million), Fees of Office (€13.8 million), Central Bank of Malta (€9.0 million) and Rents (€5.8 million).

Compared to January-May 2017, total expenditure stood at €1,655.9 million up from €1,570.7 million due to added outlays on recurrent expenditure and capital expenditure which outweighed lower spending on interest payments.

Recurrent expenditure stood at €1,439.5 million from €1,353.7 million last year. The main contributors to this increase were Programmes and Initiatives and Personal Emoluments with a rise of €47.3 million and €26.8 million respectively. The main developments in the Programmes and Initiatives category involved added outlays due to social security benefits (€18.4 million), state contribution (€10.5 million which also features as revenue), feed-in tariff (€10.0 million), medicines and surgical materials (€9.4 million), church schools (€4.7 million), residential private care (€2.9 million), health concession agreements (€2.8 million), treasury pensions (€2.2 million), Jobsplus programmes (€1.9 million) and child care for all (€1.6 million). This increase was offset by lower outlays related to the EU Presidency 2017 (€13.5 million) and the Heads of Government Event (€3.5 million). Contributions to Government Entities and Operational and Maintenance Expenses increased by €9.5 million and €2.2 million respectively.

The interest component of the public debt servicing costs stood at €85.2 million, down from €89.6 million last year.

Government's capital expenditure witnessed an increase of €3.8 million from the same period last year, and was recorded at €131.2 million. This was mainly the result of higher spending on road construction and improvements (€9.6 million), National Identity Management System (€2.3 million) and works on the shooting range (€2.0 million). On the other hand, lower outlays related to construction, refurbishment and restoration (€6.0 million) were recorded (Table 1).

Table 4 and Table 5 present the Consolidated Fund year to date and monthly data respectively in ESA 2010 codes according to the EU Council Directive 85/2011 requirements.

At the end of May 2018, Central Government Debt stood at €5,386.2 million, down by €209.4 million over the corresponding month last year. This was the result of lower Malta Government Stocks and Foreign Loans which decreased by €417.6 million and €10.4 million respectively. Higher holdings by government funds in Malta Government Stocks also resulted in a decrease in debt of €4.7 million. On the other hand, Treasury Bills added €118.0 million, the new 62+ Malta Government Savings Bond added €99.5 million, and Euro coins issued in the name of the Treasury increased by €5.8 million (Table 6) ■

Table 1. Revenue/Expenditure categories: Year to date

Description	Jan-May 2016	Jan-May 2017	Jan-May 2018	Jan-May 2018 / Jan-May 2017	
				Change	% change
	€ 000				
(a) Total Recurrent Revenue	1,402,662	1,568,102	1,577,922	9,820	0.6
Customs and Excise Duties	107,390	114,895	119,035	4,140	
Licences, Taxes and Fines	135,006	142,878	160,640	17,762	
Income Tax	408,004	441,671	479,398	37,726	
Value Added Tax	299,303	323,401	339,840	16,439	
Fees of Office	11,557	39,751	25,914	-13,837	
Reimbursements	10,320	14,272	17,101	2,829	
Central Bank of Malta	30,000	30,000	21,000	-9,000	
Rents	14,539	17,935	12,158	-5,777	
Dividends on Investment	11,898	12,125	15,294	3,170	
Interest on loans made by Government	3	18	15	-3	
Social Security	300,517	322,042	350,236	28,194	
Grants	49,223	94,058	27,191	-66,867	
Miscellaneous Receipts	24,903	15,057	10,101	-4,956	
(b) Total Expenditure	1,473,994	1,570,697	1,655,903	85,206	5.4
<i>Recurrent Expenditure</i>	1,269,226	1,353,735	1,439,531	85,796	6.3
Personal Emoluments	294,419	308,572	335,345	26,774	
Operational and Maintenance Expenses	78,504	77,708	79,917	2,209	
Programmes and Initiatives	749,939	812,227	859,545	47,318	
Contributions to Government Entities	146,364	155,228	164,724	9,496	
<i>Interest</i>	95,209	89,606	85,179	-4,427	-4.9
<i>Capital Expenditure</i>	109,559	127,357	131,193	3,836	3.0
(a-b) Consolidated Fund Surplus/Deficit	-71,332	-2,595	-77,982	-75,386	-2,904.9
(c) Financial Transactions					
<i>Revenue</i>					
Loans	279,733	182,870	0	-182,870	
Repayment of Loans	11,984	0	0	0	
Receipts from Sale of Shares	1,131	889	889	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	12,484	1,877	58,034	56,157	
Repayment of Loan	137,172	0	121,937	121,937	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 2. Revenue/Expenditure categories: Monthly

Description	May 2016	May 2017	May 2018	May 2018 / May 2017	
				Change	% change
€ 000					
(a) Total Recurrent Revenue	339,680	346,812	348,298	1,486	0.4
Customs and Excise Duties	22,584	20,871	25,094	4,222	
Licences, Taxes and Fines	27,813	26,637	27,321	684	
Income Tax	74,545	86,238	100,764	14,526	
Value Added Tax	107,136	110,789	101,011	-9,778	
Fees of Office	937	10,332	3,562	-6,770	
Reimbursements	2,143	4,393	2,064	-2,329	
Central Bank of Malta	0	0	0	0	
Rents	4,219	1,567	236	-1,331	
Dividends on Investment	11,084	11,788	10,294	-1,493	
Interest on loans made by Government	0	0	0	0	
Social Security	64,483	70,399	79,479	9,081	
Grants	14,982	48	0	-48	
Miscellaneous Receipts	9,754	3,750	-1,528	-5,278	
(b) Total Expenditure	333,519	370,650	330,429	-40,221	-10.9
<i>Recurrent Expenditure</i>	273,025	305,388	281,957	-23,431	-7.7
Personal Emoluments	57,170	64,410	64,602	192	
Operational and Maintenance Expenses	14,219	17,643	18,869	1,226	
Programmes and Initiatives	159,285	187,896	162,610	-25,285	
Contributions to Government Entities	42,351	35,439	35,875	436	
<i>Interest</i>	18,233	15,514	10,441	-5,072	-32.7
<i>Capital Expenditure</i>	42,260	49,748	38,031	-11,718	-23.6
(a-b) Consolidated Fund Surplus/Deficit	6,161	-23,838	17,869	41,707	175.0
(c) Financial Transactions					
<i>Revenue</i>					
Loans	0	0	0	0	
Repayment of Loans	0	0	0	0	
Receipts from Sale of Shares	0	0	0	0	
Other extraordinary receipts	0	0	0	0	
<i>Expenditure</i>					
Contribution to Sinking Fund	0	0	0	0	
Equity Acquisition	0	0	0	0	
Repayment of Loan	0	0	61	61	
Loans	0	0	0	0	

Note: Totals may not add up due to rounding.

Table 3. Government Expenditure by COFOG category

COFOG	Personal Emoluments			Operational and Maintenance Expenses			Programmes and Initiatives			Contributions to Government Entities		
	Jan-May 2016	Jan-May 2017	Jan-May 2018	Jan-May 2016	Jan-May 2017	Jan-May 2018	Jan-May 2016	Jan-May 2017	Jan-May 2018	Jan-May 2016	Jan-May 2017	Jan-May 2018
	€ 000											
General public services	29,244	32,232	37,220	11,599	12,525	14,434	71,986	93,051	77,481	3,831	3,591	6,000
Defence	14,932	15,448	16,714	1,717	2,054	1,908	181	288	252	0	54	80
Public order and safety	33,518	34,870	38,429	4,173	4,452	4,744	1,839	1,839	2,439	3,709	3,587	3,630
Economic affairs	27,295	28,907	26,021	6,856	4,758	4,392	47,679	57,237	69,006	34,844	43,309	53,270
Environment protection	339	88	0	54	170	138	9,214	8,686	10,305	10,680	10,366	11,497
Housing and community amenities	1,003	298	560	295	42	127	0	1,932	298	1,308	6,409	3,067
Health	88,583	93,100	101,794	28,471	27,485	25,068	65,477	72,493	83,795	22,499	23,126	23,340
Recreation, culture and religion	3,301	2,681	2,762	513	462	635	3,237	3,342	3,314	8,007	9,477	11,534
Education	77,115	81,157	90,606	11,742	11,998	12,023	51,646	53,733	60,353	43,700	40,854	35,772
Social protection	19,088	19,790	21,240	13,083	13,760	16,449	498,681	519,624	552,303	17,786	14,454	16,534
Total	294,419	308,572	335,345	78,504	77,708	79,917	749,939	812,227	859,545	146,364	155,228	164,724
COFOG	Interest Expenditure			Capital Expenditure			Total expenditure					
	Jan-May 2016	Jan-May 2017	Jan-May 2018	Jan-May 2016	Jan-May 2017	Jan-May 2018	Jan-May 2016	Jan-May 2017	Jan-May 2018			
	€ 000											
General public services	95,209	89,606	85,179	10,520	10,570	19,253	222,389	241,576	239,567			
Defence	0	0	0	4,132	3,204	131	20,961	21,048	19,085			
Public order and safety	0	0	0	8,509	4,470	7,678	51,748	49,219	56,919			
Economic affairs	0	0	0	59,191	76,127	74,942	175,865	210,338	227,630			
Environment protection	0	0	0	566	5,540	6,499	20,853	24,850	28,439			
Housing and community amenities	0	0	0	5,922	1,564	210	8,528	10,245	4,263			
Health	0	0	0	4,208	3,206	5,770	209,237	219,410	239,767			
Recreation, culture and religion	0	0	0	3,768	6,453	6,414	18,826	22,415	24,658			
Education	0	0	0	8,452	14,718	8,104	192,655	202,460	206,858			
Social protection	0	0	0	4,292	1,507	2,191	552,930	569,136	608,716			
Total	95,209	89,606	85,179	109,559	127,357	131,193	1,473,994	1,570,697	1,655,903			

Table 4. Consolidated Fund data in ESA 2010 codes: Year to date

Description	ESA CODE	Jan-May 2016	Jan-May 2017	Jan-May 2018	Jan-May 2018 / Jan-May 2017	
					Change	% change
					€ 000	
1. Total Revenue		1,335,884	1,494,041	1,501,509	7,468	
Market Output	P11	25,944	54,914	31,478		
Taxes on Production and Imports	D2	512,894	549,909	587,687		
Property income receivable	D4	43,085	44,277	41,995		
Current taxes on income, wealth, etc	D5	433,115	466,671	507,019		
Social Contributions	D61	234,735	274,406	294,275		
Current transfers receivable	D7	35,278	7,535	6,606		
Capital transfers receivable	D9	50,832	96,328	32,447		
2. Total Expenditure		1,407,216	1,496,636	1,579,491	82,855	
Intermediate Consumption	P2	176,723	171,730	178,375		
Gross Capital Formation	P5g+NP	41,887	51,840	56,153		
Compensation of Employees	D1	348,740	366,189	395,898		
Property income payable	D4	91,835	86,237	87,071		
Subsidies	D3	32,958	32,585	36,305		
Social Benefits and social transfers in kind	D62+D632	408,860	415,906	439,611		
Current transfers payable	D7	302,947	366,281	382,655		
Capital transfers payable	D9	3,267	5,868	3,423		
(1-2) Consolidated Fund Surplus/Deficit		-71,332	-2,595	-77,982	-75,386	-2,904.9

Table 5. Consolidated Fund data in ESA 2010 codes: Monthly

Description	ESA CODE	May 2016	May 2017	May 2018	May 2018 / May 2017	
					Change	% change
					€ 000	
1. Total Revenue		321,124	324,943	328,157	3,214	
Market Output	P11	9,032	17,476	2,419		
Taxes on Production and Imports	D2	150,227	152,009	148,616		
Property income receivable	D4	7,370	7,477	10,592		
Current taxes on income, wealth, etc	D5	80,283	90,389	105,062		
Social Contributions	D61	48,539	54,812	58,651		
Current transfers receivable	D7	10,291	252	737		
Capital transfers receivable	D9	15,383	2,528	2,080		
2. Total Expenditure		314,963	348,781	310,288	-38,494	
Intermediate Consumption	P2	31,285	35,858	43,015		
Gross Capital Formation	P5g+NP	7,724	13,529	21,737		
Compensation of Employees	D1	67,261	75,927	71,532		
Property income payable	D4	18,356	15,658	10,574		
Subsidies	D3	15,229	11,232	5,657		
Social Benefits and social transfers in kind	D62+D632	81,792	88,451	82,034		
Current transfers payable	D7	90,080	105,268	74,769		
Capital transfers payable	D9	3,237	2,859	969		
(1-2) Consolidated Fund Surplus/Deficit		6,161	-23,838	17,869	41,707	175.0

Table 6. Central Government debt

Description	May 2016	May 2017	May 2018	May 2018 / May 2017	
				Change	% change
	€ 000				
Total Central Government Debt	5,592,405	5,595,597	5,386,157	-209,440	-3.7
<i>of which:</i>					
Treasury Bills	338,000	209,000	327,000	118,000	
Malta Government Stocks	5,235,439	5,389,324	4,971,738	-417,586	
62+ Malta Government Savings Bond	0	0	99,477	99,477	
Foreign Loans	22,071	11,657	1,245	-10,411	
Domestic Loans with Commercial Banks	0	0	0	0	
MGSF investments in Government Debt	-72,058	-88,254	-92,946	-4,692	
Euro Coins issued in the name of the Treasury	68,953	73,871	79,642	5,771	

Note: Totals may not add up due to rounding.

Chart 1. January-May Consolidated Fund Surplus/Deficit

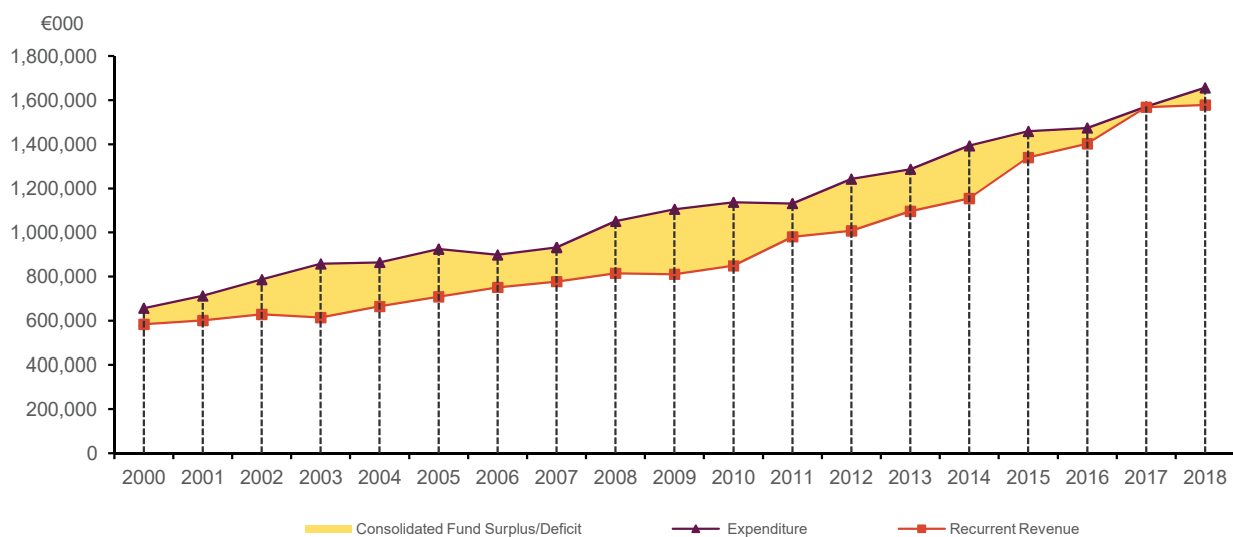
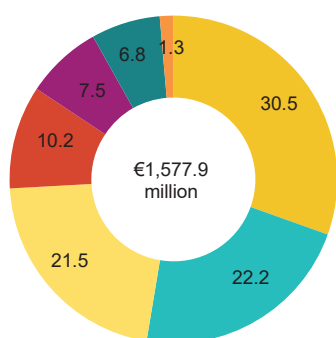
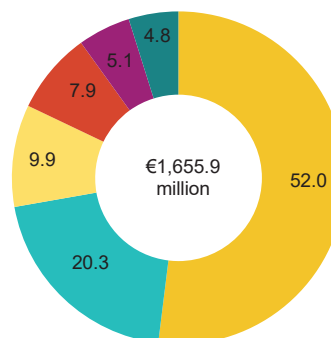


Chart 2. Recurrent Revenue by main category (%): January-May 2018



- Income Tax
- Social Security
- Value Added Tax
- Licences, Taxes and Fines
- Customs and Excise Duties
- Others
- Central Bank of Malta

Chart 3. Expenditure by main category (%): January-May 2018



- Programmes and Initiatives
- Personal Emoluments
- Contributions to Government Entities
- Capital Expenditure
- Interest
- Operational and Maintenance Expenses

Methodological Notes

1. Data in this news release is compiled in order to provide users with regular up-to-date information on the Consolidated Fund of Government. Data are sourced as follows:
 - i. Revenue and Expenditure, and Public Debt Servicing → The Consolidated Fund, the transactions of which are consolidated at the Treasury.
 - ii. Central Government Debt (excluding EBUs and Local Councils) → Central Bank of Malta and the Treasury.

All allocations provided from the Consolidated Fund are either authorised by Parliament under an Appropriation Act, or are permanently appropriated by Parliament under other relevant legislation. On the other hand, the Treasury Clearance Fund contains all those Funds and Accounts the expenses in respect of which are initially defrayable out of public funds and are eventually repayable from the Consolidated Fund or other sources.

2. In this release Revenue and Expenditure categories are recorded in accordance with their presentation in the 2018 Financial Estimates.
3. This news release follows the guidelines set out in the European System of Accounts (ESA 2010) Manual on Government Deficit and Debt. Therefore, the difference between the recurrent revenue and expenditure as listed in Table 1 is essentially the cash-based position as far as the Central Government's Consolidated Fund is concerned. In this respect, financial transactions, such as proceeds from loans, proceeds from sale of financial assets, and revenue from other accounts of Government are not taken into consideration. Likewise, direct loan repayments, contributions to sinking funds, acquisition of equity, as well as transfers into other accounts of Government, are excluded from the total expenditure.
4. The debt position includes the actual debt which is held by Government. On the other hand, any investments made by Government in its own funds are excluded from the total debt. As from December 2007, the euro coins issued in the name of the Treasury are considered as a currency liability pertaining to the Central Government.
5. The revenue and expenditure figures are based on actual cash transactions, and are therefore not normally subject to revision. Although revisions to debt data are uncommon, it is prudent to consider debt figures for the three months preceding the reference period as provisional. Any revisions to the data are carried out at the first opportunity and published accordingly in the subsequent news release.
6. The Enhanced Economic Governance package adopted by the European Parliament and Council in November 2011 included requirements on the collection and dissemination of fiscal data, through the Council Directive 2011/85/EU. The requirements in the government finance statistics domain included a methodological reconciliation table (showing the transition between monthly data used for national policy purposes and ESA-quarterly data used to produce national accounts and EU fiscal surveillance).
 - a. The Reconciliation Table may be accessed at:
<http://nso.gov.mt/en/nso/Sources and Methods/Unit A2/Public Finance/Pages/Council-Directive-852011.aspx>
 - b. Refer to the ESA 2010 Glossary at:
<https://nso.gov.mt/en/nso/Sources and Methods/Unit A2/Public Finance/Documents/ESA10 Glossary.pdf>
 - c. Refer to the other Government Finance Statistics data requirements at:
<https://nso.gov.mt/en/Services/Council Directive/Pages/Council-Directive-85 2011.aspx>
7. Data on Government Expenditure by the Classification of Functions of Government (COFOG) classifies government expenditure data by the purpose for which the funds are used. COFOG data in Table 3 refers to the total expenditure of the Consolidated Fund and is not fully consistent with the General Government sector expenditure by function and in ESA 2010 methodology, that is compiled by NSO on an annual basis with a delay of one year. The functions are in line with the COFOG classifications as published in the Government Finance Statistics Manual 2001 (ISBN 1-
8. More information relating to this news release may be accessed at:
Statistical Concepts: <http://nso.gov.mt/metadata/concepts.aspx>
Statistical Database: <http://nso.gov.mt/statdb/start>
9. References to this news release are to be cited appropriately.
10. A detailed news release calendar is available on
<https://nso.gov.mt/en/News Releases/Release Calendar/Pages/News-Release-Calendar.aspx>